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SUBJECT	Military Construction: Its Financing, and Inspection	Organization, Planning	NO OF PAGES 6	25X
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1. Every July the headquarters of each military district (okrug) in the USSR sent to the Ministry of Defense in Moscov a detailed request (zayavka) for new construction and necessary repairs for the next calendar year. The "zayavka" was sent in over the signature of the commanding general of the district. It was taken to Moscow by a district representative from the KEO (Kvartirno Exploatation: Otdel - Building Utilization Department), who remained in the capital a few days to explain it to the proper authorities. The "zayavka" included a detailed list called the "titulni spisok." Each item referred to in the list was called a "titul" or "obyekt." Each job, no matter how small - the construction of a latrine or the repair of a floor in a specific building, was given a number and a description. Even in a military district which was not very large, as that of Central Asia, over one thousand numbers were used. A typical number would be "134/15;" "134" was the number assigned a "gorodok," (military territory within a city; there could be many "gorodki" within a city). There were approximately 200 "gorodki" in the Central Asian military district; was the number of a building in "gorodok 134." There were a key and map, identifying the "gorodki" and buildings, in the district headquarters and in the Defense Ministry in Moscow. There were three additional columns on each page of the detailed list which provided the following information: (a) cubic dimension or area of object; (b) cost per one cubic meter or one square meter (costs varied depending upon whether the building would be a dwelling, warehouse, or something else; there were six or seven categories); and (c) approximate total cost based upon the

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ilmensions of the object. There were five general categories of military construction (straitelstvo):

- (a) aviation (aviationiye), (b) barracks (kazarminoye),
- (c) storage (skladskeye)
  (l) district (okruzhnove main rear storage facilities directly under military district headquarters)
- (2) military unit (voiskovoye), (d) dwellings (zhilishnoye), and
- (e) miscellaneous (raznoye).
- 2. Information for the military district "rayavka" was obtained as follows. Requests contained as follows are requests to the chief of the military district air force, who was subordinate to the commanding general of the district. Each military district which was not unusually large or small had one "avio brigade." The T/O and E of this type of unit was frequently changed. The operations section (operativni otdel equivalent to the US Army's G-3 Section) made plans for general storage facilities and forwarded them to KEO. The Soviet Army General Staff in Moscow forwarded each spring reorganization plans showing new T/O's for various types of units. Such reorganizations affected construction planning. At times, the Defense Ministry issued orders to construct certain installations.
- 3. The detailed list dealing with planned military construction in the district was composed by the KEO of the military district headquarters. There were about 65 officers and civilian technicians in the KEO in Tashkent. In about two months an approved plan (utverzhdeni plan) arrived from Moscow, drawn up by KEU (Kvartino Exploatationoye Upraviente Building Utilization Administration) of the Defense Ministry. The approved plan eliminated some of the original items, decreased the scope of others, and retained the remainder. Frequently, at a later date, a representative of KEU visited district headquarters for purposes of consultation.
- 4. Each military district headquarters had a Military Construction Administration of the District (VSU Voenno Straitelnoye Upravlenie Chruga). The VSU included a building or planning bureau (KB Konstruktorskoye Bureau or Proyektnoye Bureau). The KEO would first ask VSU to make "proyekti" (construction blue-prints) and the cit (detailed cost estimates) for certain construction which it was known Moscow would approve. The KB drew up the blueprints and cost estimates, for which KEO paid VSU. The KB drew up the blueprints and cost estimates, for which KEO paid VSU. The KB drew up the planning work for all remaining items prior to leading. The ideadline was not always met.
- 5. Trior to 1938, the VSU worked on both the "zayavka" and the "proyekti." In the submerfice #1938, however, the KEO was created and the VSU became independent of the commanding general of the district. This reorganization was effective throughout the USSR. The VSUs were placed under the authority of the Chief Military Construction Administration of the Council of Ministers of the USSR (GIAVVOENSTROI Glavnaya Voenne Straitelnoye Upravleniya pri Sovnarkome SSSR). Thereafter, the commanding generals of the district could not interfere with or change military construction projects. VSU personnel remained on active military duty, but as their personnel files were kept separately they were not investigated during the army purges of the late 1930's.
- 6. Toward the end of each year KEU and GLAVVOENSTROI executed a detailed contract (dogovor) in which the latter undertook to carry out the construction work requested. The contract had to be approved by the Soviet Council of Ministers. A similar contract, reflecting local activity, was signed by KEO and VSU. Once the basic contract in Moscow was approved, the Council of Ministers gave the total sum needed to pay for construction activity in all the military districts

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to the Kommunalni Bank SSSR /hereinafter referred to as the Bank/. The only purpose for the Bank's existence since 1938 was to finance both military and civilian construction. The necessary funds were sent by the Bank in Moscow to its branch in the city where the military district headquarters was located. This branch bank further distributed funds to its branch banks located in cities of the military district where construction was scheduled.

- 7. The following illustrates how financing and materials were obtained. The Council of Ministers authorized the Defense Ministry to spend one and one-half billion rubles for construction during the next calendar year. The sum was divided by quarters, with the second and third quarters of the year seeing the heaviest expenditure because they were the best time for construction. The Council of Ministers told the Bank that the Defense Ministry could spend this sum and also informed GOSPLAN (watch controlled building materials) that Defense could purchase materials worth this sum. In craer to prevent the Defense Ministry from utilizing the funds for other than the designated purposes, KEU turned over its rights to obtain all building materials (pravo realizatii straitelnikh materialov) to GLAVVOENSTROI. GLAVVOENSTROI distributed these rights to each VSU of a military district, in accordance with the sum authorized for construction in each district. The materials were obtained from the trading trusts which sold them. VSU could refuse in its contract to build small, isolated, impractical "obyekti." The Central Asian military district usually received from 25 to 35 million rubles per year for construction. Of this sum, VSU might have refused work costing one-half million rubles. In such case, KEO would have taken this sum and the right to buy major building materials (such as wood) and would have permitted the military units which needed the new structures to do the building. VSU would have sold minor building materials to KEO. Therefore, as the above indicates, the Defense Ministry was allowed to spend the sum allocated to it for construction only in the sense of authorizing GLAVVOENSTROI to purchase building materials. About two-thirds of the total sum was for materials, about one-third was to pay technical personnel and labor.
- 8. VSU had "osnovnoi kapital" (permanent capital) which consisted of permanent facilities and equipment owned by the organization, such as buildings, machines, transport vehicles, tools, barracks, and clothing and bedding for workers. If VSU needed to construct a new building for its own use or to purchase construction machinery it submitted a "zayavka" to GLAVVOENSTROI. VSU also had "oborotni kapital" (circulating capital), which consisted of 10% of the year's construction funds advanced by the Bank on 1 January so that VSU could begin work at once on new projects. Under WSU, Tashhent, as of 1939, there were eight military construction area offices (voeme straitelmi uchastki) located in Tashkent, Pergana, Franze, Samarkand, Termez Merv, Kushka, and Stalinabad. The number and location of the area offices depended upon where construction was scheduled to take place. However, the Tashkent, Termez and Stalinabad offices were permanent. Under each area office there were several military construction suboffices (voenno straitelnii ploshadki). These consisted of one engineer, two technicians, a bookkeeper and had office space and laborers, VSU headquarters, except for the KB, was on a state budget authorized by the Council of Ministers. This was over and above funds approved for construction. The KB and the area offices were supported by a portion of the construction funds. For each division area there was a KECh (Kvartirno Explotationaya Chast - Building Utilization Section), which came under the WEO of the district.
- 9. Once every how weeks, a commission for acceptance of work (komisia po priomki raboti) visated construction sites. A representative of KEO, of VSU, and the engineer of the area office made up the commission. A report indicating progress in the construction job was signed by the KEO representative. The bank, after checking its cost estimates (smeti), paid the area office a sum to cover materials and labor. The payment was based on the commission's report. Occasionally, a representative of the Bank would check on construction. These inspections were thorough and strict. The contract between KEO and VSU included a time limit for construction projects and provided for fines if the work was not finished in time. However, the time limit was rarely met and fines usually were not levied.

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- 10. From 1932 to the present, certain frontier military districts, such as those of Byelorussia, Kiev, Transcacasus, and Far East, had a different and separate VSU, which came under the authority of the chief of engineers of the military district. These VSU's were used only to build defense fortifications similar to the Siegfried line.
- 11. In regard to the contractual status of civilian workers on military construction projects, a form contract good for a certain period was used for each worker. The rates paid were those of the labor union (profsoyuz). In theory, the union had agreed on these rates with the Government. All workers of one certain type were paid the same. The worker was paid only for the amount of work he did. In practice, workers in the Central Asian military district were paid two or three times the union rates. If this had not been done, a sufficient number of workers could not have been found. Therefore, at the end of a construction job, one had almost always spent more than the planned figure. Engineers also had contracts, but not limited by any specific time period. The engineers received a certain monthly salary and no more. The area office of VSU paid the workers in cash obtained from construction funds. No one in the USSR was paid by check and individuals practically never had bank accounts.
- 12. Military personnel were not engaged to a great extent in actual construction work. The chief (nachalnik) of the VSU was always a military man and an engineer. The chief of ar area office was also always a military man, but rarely an engineer. However, he was often a technician, such as an officer of the army engineers. The area office chief had a chief engineer under him who was a civilian. The chief of a suboffice was a civilian and could be an engineer or technician. All construction workers were civilians, as were most of the engineers and technicians.
- 13. NKVD security precautions greatly complicated work on military construction and resulted in much lost time. Each worker had to be checked. Once cleared he often could still work only in a nonsensitive area, such as building barracks in a city, but not be admitted to a "gorodek." If he should be transferred to work in another area he would have to be checked again. There was also much time lost in checking passes of workers as they entered or left building areas.
- 14. When an item (obyekt) was completed, the transfer (zdacha obyekta) or acceptance (priomka obyekta) occurred. A new, special commission was formed to inspect and accept the completed construction, which could be, for example, a military school building. The commission was composed of a representative of KEO, of the military unit accepting the structure, of the area office or even of the VSU, and perhaps of the city engineer, if the building happened to be in a city. When the inspection was satisfactorily completed, the Bank paid the last of the construction funds to the area office and the new building became the property of the military district. Up to that time it had belonged to the area office.
- 15. In regard to limits of financing, it was easier to obtain additional funds and materials, if necessary, for military construction than for civilian. At indicated above, KEU and GLAVVOENSTROI were created in 1938 to control military construction and spending. If more money than planned had been spent on a project, then other projects were postponed or cancelled. Planning (proyekt-irovaniya) was poor and often resulted in underestimation. Although the planning was done by VSU it was considered KEO's, as KEO had to approve the plans.
- 16. I would like to emphasize that not the amount of money granted for construction but the quantity of materials was important. Moscow, ie COSPLAN, GLAVVOENSTROI, and other governmental bodies, allotted only a part of the materials needed to fulfill the plan for construction. One hundred percent of the meded materials was provided only for certain defense activities such as tank ractories, aircraft plants, and building of fortifications. For general military construction about 70% was granted. This varied of course, with a higher percentage granted for

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barracks than for living quarters. The percentage was always small for electric materials and nonferrous metals. The Soviet Government granted only 50% of needed materials for schools and only 33 1/3% for living quarters. Therefore, it must be remembered in analyzing Soviet planning that the plans can never be fulfilled on time. Moscow naturally knows this very well but adopts the attitude that the builders must nevertheless meet the goals set. This is done to force people to work narder. In planning for living quarters, electric utilities were included, but the authorities forced the people to live without electricity by not providing the necessary materials. Then the engineers were blamed for it all. This policy was followed in order to mislead the people in the USSR and abroad. At times, because it cost more to build a house or apartment over a period of three years rather than six months, speed up campaigns were initiated in order that a few units could be completed quickly.

- 17. Incidentally, to continue on the subject of misleading figures used by the USSR to impress the world, it is my opinion that the population at present in the USSR is approximately between 160 and 170 million people, rather than the reported 200 or more million. In 1941 it was 190 million. The losses were very great during world War II: between 20 and 25 million fatal war casualties and 10 to 15 million related deaths. I would say that the population in have been down to about 150 million. There was also a period of starvation during the years of 1946 and 1947. The annual birth rate is approximately one and one-half to two million.
- 18. In regard to whether the price of materials was lower for military construction works than for civilian works, it was the same. It would have been too complicated to have different prices and, moreover, the cost of transportation was a major factor. For example, in 1939 a railroad carload of wood (25 cubic meters) cost 500 rubles, or 20 rubles per cubic meter. The cost of transporting the wood from Buriat Mongolia to Tashkent was 1800 rubles per car. However, such items as food were obtained by the military at cost. Also, in 1939 gasoline for military use cost seven kopecks per kilogram. For civilian use the price was one ruble per kilogram, or over 13 times the military price. Therefore, transportation by means of gasoline-burning military vehicles was much cheaper than civilian. As a result, local building materials (in Central Asia these were stone, sand, and gravel) were cheaper for the military to obtain. The same price for the material, bricks for example, was paid by the military as by the civilian authorities, but the cost of local transportation was much lower for the military. This factor was taken into account in making up the cost estimates.
- 19. Building materials and other items which could be used by either military or civilian authorities were not designated in any particular way as to whether they would be used by the military or by civilians. However, items specially manufactured for military purposes, such as prime movers, were marked in a special way. I do not recall exactly the markings, but I believe they consisted of a red star, the number of the series, the number of the item, and the year of manufacture.
- 20. In regard to construction of plants, the military had no direct, active participation in this field, even if the factory was to produce military equipment. The appropriate civilian ministry handled the matter. However, if the matter concerned military production, such as tanks, a meeting of the 'Small' (Maloi) Council of Ministers would initially be held, attended by the Premier, Defense Minister, and the head of the industrial ministry concerned with production. This meeting was also attended by a representative of the Soviet Army's General Staff and of the appropriate arm or branch. If it was decided to produce tanks in a tractor factory, or to build a new tank factory, the military representative of the armored forces would sit in on the planning. Once the plant was in production, an office of the military representative (voenni predstavitel) would be established there.

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21. I have no information on long range planning for construction of plants in Turkestan. The emphasis on industry and planning changed in that area after World War II. More industry was developed there and hydroelectric power stations were built. A factor in this trend is the fact that this region is safer from air attack than other areas in the USSR. A railroad was built specifically for the purpose of transporting coal from Karaganda. The route follows the western shore of Lake Balkhash and joins the Turkestan-Siberian Railroad near the bridge over the Chu river. The road was finished in approximately 1952 or 1953.

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